



Weekly Special Report



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INSIDE

Agency Uses Africa Growth Act to Spur Trade, Investment

By Charles W. Corey
Staff Writer

Washington — The African Growth and Opportunity Act (AGOA) and the U.S. Millennium Challenge Corporation (MCC) are cornerstones of the Obama administration's development policy for Africa because they are complementary and have the potential to stimulate trade and investment across the continent.

Jeri Jensen, MCC's managing director of private-sector initiatives, and



In Benin, agricultural exports are multiplying thanks to the MCC-partnered port rehabilitation.

Jonathan Bloom, deputy vice president for Africa

programs at MCC, described the importance of AGOA and MCC in a recent interview with America.gov as they looked ahead to the 8th Annual AGOA Forum, to be held in Nairobi, Kenya, August 4–6.

The MCC is an innovative and independent U.S. foreign aid agency that is helping lead the fight against global poverty. Created by Congress in January 2004 with strong bipartisan support, MCC is changing the con-

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AGOA Promotes Economic Cooperation, Trade in Sub-Saharan

By Merle David Kellerhals Jr.

Staff Writer

Washington — The primary goal of the African Growth and Opportunity Act (AGOA) — which was signed into law as part of the larger Trade and Development Act in 2000 — was to help increase both the volume and diversity of U.S. trade with sub-Saharan Africa.



A five-platform complex off the coast of Cabinda, Angola, pumps

"AGOA also promotes economic cooperation and trade among the countries of sub-Saharan Africa by encouraging

intraregional trade among AGOA beneficiary countries," Assistant U.S. Trade Representative Florizelle Liser testified at a recent congressional hearing. Two-way trade between the United States and sub-Saharan Africa

was \$104.6 billion in 2008. This was more than triple the amount in 2001, the first full year of

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versation on how best to deliver U.S. foreign assistance by focusing on good policies, country ownership and results.

Jensen said the trade preferences for some African products under AGOA “are really only part of the equation.” Companies looking to invest in Africa also look beyond the trade breaks. For trade preferences to be effective, Jensen said, “they must go hand in hand with the infrastructure that a company needs to lower costs, to increase competitiveness, to get [its] goods to market. Most MCC countries have chosen to invest in infrastructure, and that is supportive of the same goals that AGOA is trying to accomplish in terms of increasing Africa’s competitiveness in the world.”

Currently, 11 of MCC’s 18 compact countries are in Africa, with \$4.5 billion of its \$6.3 billion invested in Africa, Jensen said. A compact is a five-year grant agreement between the Millennium Challenge Corporation and an eligible country to fund specific programs targeted to reduce poverty and stimulate economic growth. MCC also awards smaller grants as part of its threshold program. Currently, MCC has granted \$440 million in assistance as part of its poverty-reduction threshold program in Africa and countries worldwide.

Jensen said these “programs combine agribusiness and infrastructure. There is no [other] program that actually does both that I am aware of.” Increases in gross domestic product that come from agriculture-related projects, Jensen said, pro-

vide twice as much poverty reduction as other types of projects provide.

Jensen estimated that 70 percent of MCC’s portfolio is agriculture-related, and many infrastructure programs the agency funds also boost agriculture in some way.

Bloom said MCC only does one thing: poverty reduction through economic growth. “There are lots of other valid purposes for American assistance,” he said, “but that is all we do. It is pretty simple to state, but is pretty hard to do. It is focused on generating economic growth in poor countries for poor people in the country — which in turn benefits the country and along the way the United States.”

Bloom said MCC operates on three key principles. First, MCC only works in countries with strong policies supporting a free political system and a sound economic system and that invest in their people. Second, once MCC goes to work in a country, the country designs and owns the program it originated. Third, because results matter, the agency takes measurements before and after the program to create a “disciplined environment in which people want to invest.”

MCC is often the largest donor operating in a country, using significant grant funding that can total as high as \$700 million, and it is predictable over five years. If a business wants to take advantage of MCC or AGOA, there is certainty that the funds will be there for five years, Jensen said.

Illustrating that point, Bloom cited Ghana and President Obama’s visit

to the nation July 10–11. The president’s message, Bloom said, “was that Ghana has taken a lot of the hard steps toward good governance. That made Ghana eligible as an MCC country in the first round. ... Ghana has built a strong political and economic climate to encourage private investment. The MCC grant to Ghana of \$547 million — which at the time we signed it [in August 2006] was the largest to date — has a comprehensive set of investments to build on the agriculture value chain and in particular their trade capacity and to attract private investors.”

Additionally, Bloom said, MCC is engaged in transport-infrastructure improvement critical for trade — such as roads in Tanzania that run to the Kenya border and the rehabilitation of important ports in Benin and Cape Verde, “both of which are critical trade hubs for both of those countries.” In Mali, he said, MCC is also supporting the rehabilitation of that landlocked country’s airport, which is its critical link to the outside world.

What foreign affairs decisions should President Obama consider? Comment on America.gov’s blog (<http://blogs.america.gov/campaign/2009/01/21/day-2-what-should-obama%e2%80%99s-top-priorities-be/>).

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AGOA Promotes Economic Cooperation, Trade in Sub-Saharan Africa . . .

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AGOA implementation, she said.

Total U.S. trade with sub-Saharan Africa in 2002 under AGOA totaled \$23.92 billion, and it has risen each year since then, according to U.S. government reports.

However, Liser said, the United States recognizes that trade with Africa has dropped as a result of the global economic crisis and declining oil and commodity prices. Many more African nations are taking advantage of the liberal trade opportunities under AGOA, she said, but some are facing significant challenges in their efforts to increase trade.

"We are continuing our efforts to increase the number of AGOA-eligible countries taking advantage of the program, and we are also trying to address the many supply-side constraints the Africans face, and to help them increase the range and quality of products being traded and improve Africa's overall competitiveness," Liser said.

The 8th AGOA Forum will be held August 4–6 in Nairobi, Kenya, at the Kenyatta International Conference Center. As part of the AGOA law, there is an annual meeting between the United States and African nations known as the AGOA Forum. The August forum is the eighth such event. Its theme focuses on encouraging private investment that will help expand trade and economic growth for the AGOA countries.

Liser said that if sub-Saharan Africa increases its share of global trade by just 1 percentage point to 3 percent, it would generate additional export revenues of \$70 billion annu-

ally. "This reflects the importance of trade as a critical platform for Africa's economic growth, which is nearly three times the amount of current annual assistance to Africa from all donors" she said.

Economists believe that striking a critical balance between trade volume and diversity of the exports is essential to long-term regional economic development and growth.

AGOA — which has been modified several times since its original enactment — was designed to extend preferential treatment to imports from eligible countries that are pursuing market reform measures, said Danielle Langton, an international trade and finance analyst with the U.S. Congressional Research Service, in a recent analysis of AGOA. "Data show that U.S. imports under AGOA are mostly energy products, but imports to date of other products have grown," she said.

The AGOA law also directs the U.S. president to provide government technical assistance and trade-capacity support to AGOA countries, Langton said. Government agencies with roles in helping African nations include the U.S. Agency for International Development, the Office of the United States Trade Representative, the U.S. Overseas Private Investment Corporation, the U.S. Export-Import Bank, the U.S. and Foreign Commercial Service and the U.S. Trade and Development Agency.

Liser said that exports from the continent are concentrated in primary commodities such as petroleum, minerals, cocoa and coffee. She added that "there is little of the manufacturing engine in sub-Saharan Africa that has fueled economic growth and reduced poverty

in other regions of the world." And Liser said that agriculture, which is regarded as Africa's strong suit, has not been a positive contributor to export trade. In 2005, she said, the region switched from being a net exporter to a net importer of farm products.

"We believe that export diversification and further processing of agriculture products into higher-value exports could help improve food security in the region by addressing issues of availability and stability of food supply," Liser said.

U.S.-AFRICA TRADE PROFILE

U.S. total trade with sub-Saharan Africa, which includes both exports and imports, rose 28 percent in 2008 from the year before, as both exports and imports grew, according to a U.S.-Africa trade profile published by the U.S. Commerce Department's International Trade Administration (ITA). In 2008, U.S. exports totaled \$18.6 billion, compared with \$14.4 billion in 2007, and imports in 2008 reached \$86.1 billion, compared with \$67.4 billion in 2007, the ITA report said. (See "U.S.-Africa Trade Increased 28 Percent in 2008 (<http://www.america.gov/st/develop-english/2009/July/20090714151630WCyeroC0.8056757.html&distid=ucs>).")

Exports were driven by demand for machinery, vehicles and parts, wheat, noncrude oil, aircraft and electrical machinery, which included telecommunications equipment. U.S. imports of African products were led by crude oil and passenger vehicles, the report said.

(This is a product of the Bureau of International Information Programs, U.S. Department of State. Web site: <http://www.america.gov> ♦

U.S.-Africa Trade Improving Lives Across Africa

By Charles W. Corey
Staff Writer

Washington — Improving African lives at the grass-roots level, building businesses and supporting reconciliation after conflict are all part of the vision of the African Development Foundation, a major partner in the African Growth and Opportunity Act (AGOA) Forum taking place in Nairobi, Kenya, in August.

The AGOA Forum — which is held annually to examine and enhance the U.S.-Africa trade and business relationship — serves a “common purpose” to create a “better quality of life for Africans,” says Lloyd Pierson, president and chief executive officer of the African Development Foundation (ADF).

In a July 16 interview with *America.gov*, Pierson previewed his role at the 8th AGOA Forum in Nairobi August 4-6, which has as its theme “Realizing the Full Potential of AGOA through the Expansion of Trade and Investment.”

Pierson called AGOA “one of the most noble missions that you have on the African continent and for those who are consumers in other countries — and that mission is to help create a better quality of life for all involved.”

A partner in this mission, the ADF improves lives at the grass-roots level. “We have a unique mission that is different from any other U.S. foreign assistance agency,” Pierson said. “First, it is our target popula-



Lloyd Pierson, president and CEO of the African Development Foundation, surrounded by the artists of the Gahaya Links project in Rwanda, which has united nearly 4,000 Hutus and Tutsis (mostly female artists) to build reconciliation after the country's genocide.

tion. The United States African Development Foundation focuses on the most marginalized populations in sub-Saharan Africa. ... We work with the former slave populations in southern Mauritania, the blind in Senegal, the widows of genocide in Rwanda and the Masai women in Tanzania. It is those marginalized populations. So there is a target population for us that we work with to help provide income and jobs.”

ADF, operating in 20 African countries, does not have a single expatriate office, he said.: “Our programs are managed by Africans. We do not have large consultant offices. We do not have small consultant offices. We have Africans who are there managing the programs, going into communities and looking for the marginalized popula-

tions where we can have results and work with them in a very participatory way to create jobs in their community.”

Pierson stressed that the “marginalized communities in Africa cannot be excluded from the global economy. When you look at what people at various levels can do — the so-called bottom billion as we know them — it can be very impressive and satisfying to see them generating income and becoming part of the global economy. That is where we work very closely with AGOA,” the four U.S. Agency for International Development (USAID) trade hubs in Africa and other such U.S. government agencies to stimulate trade and economic growth, he said.

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U.S.-Africa Trade Improving Lives Across Africa . . .

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For example, Pierson said, ADF has been very successful “getting baskets from Rwanda to [the major U.S. retailer] Macy’s, Masai women selling ornaments to [the U.S. gift and greeting card giant] Hallmark, mangoes from Tanzania that are sold in the Middle East and camel milk from Mauritania that goes into the international market to make camel milk cheese. In a variety of ways, there is a lot of opportunity” that has been created.

Taking AGOA down to the individual level, Pierson said when marginalized people, all of a sudden through economic empowerment, have the ability to provide for their family and purchase products from the markets, “it is really an inspiration” to everyone to see that there has been a “very substantial positive change in the way in which they lead their life.”

“During this year we will sign approximately 150 grants in the 20 countries in which ADF is operating. We obviously will not sign 150 grants in Nairobi, but there are grants that we will be prepared while we are there to have a signing ceremony that we will sign and immediately thereafter the financial assistance begins going into the community,” Pierson said.

He added that the important thing about these grants is that it is “not just the United States going out

there, but there is African involvement as well because that is really where the main focus is on what Africans do and what they can do. So I sign, but I am there with the

senior representative from the country.”

Pierson is a former USAID assistant administrator for Africa and a former Peace Corps country director in Botswana, Ghana, Namibia and Swazi-

land. He opened the program in Zimbabwe and has served as acting worldwide director of the Peace Corps as well.

While USAID works at the “macro” level with a broader focus on humanitarian assistance, he said, ADF focuses on microlevel development, with the largest project totaling \$250,000. He stressed that the end result of many diverse U.S. government operations in Africa is that U.S. foreign assistance to the region “has worked” in many ways in improving the lives of Africans across the continent, both through development and through democracy and governance.

One particularly successful ADF project, the Gahaya Links project in Rwanda, started with 20 Hutu and Tutsi women to build reconciliation after that country’s genocide in 1994. “The 20 widows of genocide that started the program has now grown to almost 4,000, almost all women ... making crafts.” Last



More than 35,000 of the baskets and woven trays created by the women of the Gahaya Links project in Rwanda have sold at Macy’s. The U.S. African Development Foundation has also helped Masai women in

year, they sold 35,000 baskets to Macy’s, he said. With results like that, “they are in the global economy.”

This project, he recalled, started from the bottom and became “a real business that is going on.”

“As you know, the majority of exports from Africa are hydrocarbons,” he said. But this is an exception that has helped create jobs and “provide social benefits for a common purpose and teach better nutrition and [provide] skill training,” as well as promoting peace and reconciliation.

(This is a product of the Bureau of International Information Programs, U.S. Department of State. Web site: <http://www.america.gov>) ♦

Clinton Tells Iran's Leaders Now Is the Time for Engagement

By Stephen Kaufman
Staff Writer

Washington — Iran's leadership should respond to President Obama's offer of engagement over its nuclear activities, Secretary of State Hillary Rodham Clinton says, adding that the opportunity "will not remain open indefinitely."

In remarks to the Council on Foreign Relations, a foreign policy research center in Washington, Clinton said July 15 that neither she nor the president "have any illusions that dialogue with the Islamic Republic will guarantee success." But she said they both understand "the importance of offering to engage Iran and giving its leaders a clear choice: whether to join the international community as a responsible member or to continue down a path to further isolation."

The choice for Iran is clear, she said. The country has the ability to become a "constructive actor in the region" if it stops threatening its neighbors in the Middle East and supporting violent extremists.

From the U.S. perspective, direct talks with Iran "provide the best vehicle for presenting and explaining that choice." Iran does not have a right to develop nuclear weapons, but "it does have a right to civil nuclear power if it re-establishes the confidence of the international community that it will use its programs exclusively for peaceful purposes," she said.

"We remain ready to engage with Iran, but the time for action is now. The opportunity will not remain open indefinitely," Clinton said.



Iran's leaders have been given a clear choice between global engagement and isolation, Secretary Clinton says.

ment of its international obligations, will be re-evaluated when the Group of 20 major economic powers meet in Washington in September. (See "Iran's Approach on Nuclear Offer to be Re-Evaluated in September" (<http://www.america.gov/st/peacesec-english/2009/July/20090710132714esnamfuak0.4687464.html>)).

Clinton also described the violent crackdown against Iranian citizens in the wake of the country's presidential election as "deplorable and unacceptable." U.S. officials were appalled at how Iranian voices have been violently quelled, and at the government's efforts to hide its actions by "arresting foreign journalists and nationals, and expelling them, and cutting off access to technology," she said.

On the Middle East conflict, the secretary said Israel, the Palestinians and the Arab states all need to take action to make progress toward resolution. She repeated U.S. opposition to Israeli settlement building and said the Palestinians

The secretary's remarks come less than a week after President Obama said Iran's progress in responding to the international community's offer of talks over its nuclear program, as well as the fulfill-

need to improve security and act forcefully against incitement.

She urged active Arab support for the Palestinian Authority and for steps to improve Arab relations with Israel. She also said Arab countries need to "prepare their publics to embrace peace and accept Israel's place in the region."

For both sides, "sending messages of peace is not enough. You must also act against the cultures of hate, intolerance and disrespect that perpetuate conflict," Clinton said.

WORLD SHARES COMMON CHALLENGES

The challenges of the 21st century include preventing nuclear proliferation and dealing with climate change and pandemic disease, Clinton said.

"No nation can meet the world's challenges alone. The issues are too complex," she said. The international community must overcome the obstacles that are preventing it from transforming common interests into common action. At the same time, she said, the Obama administration recognizes that "no challenge can be met without America."

The secretary said the administration is pursuing "smart power," by combining its defense, diplomatic and development resources to advance its foreign policy goals.

"Smart power translates into specific policy approaches in five areas. First, we will update existing and create new vehicles for cooperation

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U.S., China, Others Showing Strong Consensus on North Korea

By Stephen Kaufman
Staff Writer

Washington — Senior Obama administration officials praise the international community's "extraordinary convergence" over the seriousness of North Korea's nuclear program as well as the need to implement United Nations sanctions to achieve the ultimate goal of eliminating nuclear weapons from the Korean Peninsula.

The officials, who spoke at the State Department July 15 under condition of anonymity, said meetings between U.S. officials and those in South Korea, Japan, China and Russia have shown a "very strong consensus" on North Korea. The five countries are North Korea's interlocutors in the Six-Party Talks and are seeking Pyongyang's return to talks and the implementation of the joint 2005 statement calling for abandonment of North Korea's nuclear program in exchange for cooperation on economic, trade and other areas. (See "North Korea Agrees To Abandon Its Nuclear Weapons Programs (<http://www.america.gov/st/washfile-english/2005/Septem-ber/20050919144504ajesrom0.1789972.html>).")

"If and when they're ready to engage and reaffirm and act on their commitments made in 2005 to eliminate their nuclear program ... we're ready to achieve that," one official said. "We don't intend to reward the North just for returning to talks, but if they are actually prepared to do the kinds of things that we've suggested that they need to do, then obviously, we'll be prepared to reciprocate."



Ambassador Philip Goldberg says East Asian nations have "seriousness of purpose" on implementing U.N. resolutions against North Korea.

North Korea's partners are "not really interested in halfway measures," the official said. They need to see "complete denuclearization and for them to take irreversible steps toward that goal."

On July 16, the U.N. Security Council designated an additional five individuals and five companies as being subject to travel bans and a freeze on their financial assets under Resolution 1874, which was approved in June 2009, for involvement with the North Korean program. The council also listed certain types of graphite and para-aramid fiber as being additional materials that member states are prohibited from supplying to North Korea because of their use in ballistic missiles.

Along with freezing certain North Korean business assets, Resolution 1874 calls on member states to prevent "any financial services from being provided that could benefit North Korea's nuclear missile or [weapons of mass destruction] program-related activities," one official said.

This provision is "particularly powerful" because North Korea intentionally engages in deceptive financial conduct that obscures its trans-

actions, to such an extent that it can be impossible to distinguish between North Korea's legitimate and illegitimate business, one of the briefers said.

The North Koreans "use cutouts and front companies. They suppress the identity of the true parties to the transaction. They try to use cash couriers and large amounts of cash in situations where there's no legitimate reason to use large amounts of cash, and similar sorts of behaviors, using companies that, from the names of them, you can't tell what the true nature of what they do is and obscures their North Korean contacts altogether," the official said.

The United States has been sharing information on North Korea's conduct with banks around the world. Private banks have no interest in becoming involved in illicit transactions, including those related to North Korea's nuclear and missile programs, the officials said.

"They don't want to get involved ... both because they're good corporate citizens, but also because they are very protective of their own reputations," the official said. "In the financial world, transparency is a fundamental value."

What foreign affairs decisions should President Obama consider? Comment on America.gov's blog (<http://blogs.america.gov/campaign/2009/01/21/day-2-what-should-obama%e2%80%99s-top-priorities-be/>).

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Clinton Attends Southeast Asian Regional Forum in Thailand

By Lauren Caldwell
Staff Writer

Washington – U.S. Secretary of State Hillary Rodham Clinton is focusing on improving relations between the United States and Southeast Asia during her visit to Thailand as she leads the U.S. delegation to the Association of Southeast Asian Nations (ASEAN) Post-Ministerial Conference and the ASEAN Regional Forum.

The 16th annual ASEAN Regional Forum, being held in Phuket, Thailand, includes the foreign ministers of 10 ASEAN member countries, as well as representatives of 17 dialogue partners from other Asian countries, the United States, the European Union and Russia. Clinton traveled to Bangkok for bilateral meetings with her Thai counterparts prior to attending the ASEAN gathering.

HISTORY OF ASEAN

ASEAN was founded in 1967 by Indonesia, Malaysia, the Philippines, Singapore and Thailand, and grew to include Brunei, Vietnam, Laos, Burma and Cambodia. Its goals are to accelerate economic growth and cultural development in Southeast Asia, to promote peace and stability through rule of law and adherence to the United Nations Charter, and to collaborate on matters of common interest, according to the 1967 Bangkok Declaration.

The first ASEAN Regional Forum was held in 1994 to address security issues affecting Southeast Asia, including transnational crime, terrorism and nuclear proliferation. ASEAN leaders established a three-stage approach to maintaining



Foreign ministers assemble at the Association of Southeast Asian Nations (ASEAN) Ministerial Meeting July 20 in Thailand.

peace in the region: building mutual trust and confidence among members; preventing disputes and conflicts; and developing methods to resolve conflicts. Member countries and dialogue partners discuss measures to enhance peace in the region.

In addition to security, ASEAN has economic and socio-economic initiatives. The group is working to implement a free trade area, boost tourism and improve agriculture, as well as wage campaigns to promote social welfare, health and education. ASEAN also participates in the Asia-Pacific Economic Cooperation (APEC) forum, the East Asia Summit, the Asia-Europe Meeting (ASEM), the East Asia-Latin American Forum (EALAF), and the ASEAN-Russia Summit. ASEAN was granted observer status at the U.N. General Assembly in 2006.

Decisionmaking among ASEAN member countries is characterized by consensus, noninterference and avoidance of confrontation. This

method is called "the ASEAN way." The Treaty of Amity and Cooperation in Southeast Asia, a pact adopted by ASEAN in 1976, does not allow member countries to interfere in the internal affairs of another country, and mandates that all disputes must be resolved peacefully.

Since ASEAN was formed 30 years ago, there have been no armed conflicts among member countries.

REGIONAL FORUM TODAY

The ASEAN Regional Forum (ARF) held its first disaster-relief exercise May 4 through May 8 in the Philippines, simulating the delivery of humanitarian relief following a fictitious super-typhoon. The Voluntary Demonstration of Response (ARF-VDR) was co-sponsored by the United States and the Philippines, and 14 countries from the Asia-Pacific region contributed. Multinational teams of engineers and doctors also dug wells, constructed

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North American Leaders to Meet August 9–10

By Merle David Kellerhals Jr.
Staff Writer

Washington — The leaders of Canada, Mexico and the United States will meet in August to discuss security, economic and trade policies, health issues and regional challenges like the political crisis in Honduras, Secretary of State Hillary Rodham Clinton said July 16.

The annual summit will be held August 9–10 in Guadalajara, Mexico, and will involve Mexican President Felipe Calderón, who is hosting the summit, Canadian Prime Minister Stephen Harper and President Obama. The leaders' summit was created in March 2005 and is held annually.

In addition to a range of broad topics, the leaders are expected to discuss issues closer to home, particularly the political crisis in Honduras, Clinton said at a press conference July 16 at the State Department with Canadian Foreign Minister Lawrence Cannon and Mexican Foreign Secretary Patricia Espinosa. The three foreign ministers met to discuss current issues, but also to lay out the agenda for the leaders' summit next month.

Honduran President Manuel Zelaya, who was democratically elected in 2006, was ousted June 28 and flown by the Honduran military to Costa Rica. He met with Clinton at the State Department in Washington on July 7. Efforts by Zelaya to return to the Honduran capital city, Tegucigalpa, ended July 5 when the interim government refused to allow his airplane to land. During his attempt to land thousands of his supporters clashed with Honduran soldiers and police at the airport.

Clinton announced after her July 7



Secretary Clinton, center, Mexican Foreign Secretary Espinosa, left, and Canadian Foreign Minister Cannon met July 16.

meeting with Zelaya that Costa Rican President Oscar Arias had agreed to act as a mediator in the crisis and conduct talks in Costa Rica. She said all sides accepted the plan and agreed to participate. (See "U.S. Asks Costa Rican President to Mediate Honduran Crisis" (<http://www.america.gov/st/peacesec-english/2009/July/20090707152709dmslahrellek0.4110681.html>).")

"We reaffirmed our commitment to restore constitutional and democratic order, and underscored our support for the dialogue process that was started by President Arias," Clinton said at the press conference July 16. "We support a peaceful, negotiated resolution and urge other countries to play a positive role in achieving that outcome, and to refrain from any actions that could lead to violence."

Espinosa said Mexico, Canada and the United States agreed that constitutional order broke down in Honduras with the ouster of Zelaya. "We have all condemned and completely rejected that fracture of constitutional order," she said at the news conference.

OTHER SUMMIT ISSUES

Canada's Cannon said the July 16 talks among the three also focused on strengthening four priority areas: the economy; clean energy and climate change; security and citizen

safety; and the growing challenges from transnational organized crime.

"Many of these challenges require a North American solution," Cannon said. "So we laid the ground for our three leaders to have a fruitful discussion in the month of August."

Espinosa said they also discussed regional economic competitiveness. "That is key, so that the products of our region can be the most affordable and the ones that are most beneficial to the families of this part of the world, and so that we can compete with other regions of the world," she said.

Clean energy and the environment will be trademarks of the dialogue among the leaders of North America, Espinosa added, saying that they want the region to become the model for other regions of the world.

Clinton said the foreign ministers also reviewed their joint response to this spring's H1N1 influenza outbreak. "Mexico's leadership in the face of the H1N1 crisis, its openness and transparency, its sharing of information, set a real model," Clinton said.

Espinosa said problems like the H1N1 influenza crisis show that the three North American nations share common problems and must find common solutions. "The challenges of our time demand coordinated action with our neighbors," she said.

A transcript of remarks by Clinton, Espinosa and Cannon (<http://www.america.gov/st/texttrans-english/2009/July/20090717122036emffen0.2856256.html>) is available on america.gov. ♦

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Telling America's story

Clinton Tells Iran's Leaders Now Is the Time for Engagement . . .

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with our partners; second, we will engage with those who disagree with us; third, we will elevate development as a core pillar of American power; fourth, we will integrate civilian and military action in conflict areas; and fifth, we will leverage America's varied sources of power, including our economic strength and the power of our example," Clinton said.

The United States will lead with diplomacy, even in cases where it is dealing with adversaries, "by inducing greater cooperation among a greater number of actors and reducing competition," which Clinton says will help redirect the global balance from "a multipolar world ... toward a multipartner world."

But the secretary also said the Obama administration's focus on

diplomacy should not be seen by adversaries as a sign of weakness to be exploited.

"We will not hesitate to defend our friends, our interests and, above all, our people, vigorously and when necessary with the world's strongest military," she said.

A transcript of Clinton's remarks (<http://www.america.gov/st/texttrans-english/2009/July/20090715155458xjsnommis0.2510034.html>) is available on America.gov.

What foreign affairs decisions should President Obama consider? Comment on America.gov's blog (<http://blogs.america.gov/>)

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Clinton Attends Southeast Asian Regional Forum in Thailand . . .

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water tanks and treated patients.

"I think what we saw [in the ARF-VDR] are great examples of cooperation on humanitarian grounds from member countries," Scot Marciel, deputy assistant secretary for East Asian and Pacific affairs and ambassador for ASEAN affairs, said at a press briefing in Washington July 15. "It's important that we build on this, and for those of us in the ASEAN Regional Forum, our challenge now is to take the next major step forward and not sit back."

ASEAN foreign ministers held meetings July 19 through July 21. Then in several meetings on July 22, representatives from each dialogue partner will discuss regional

security with ASEAN member countries. All dialogue partners and member countries will participate in the ASEAN Regional Forum on July 23, which likely will cover a wide range of issues, including climate change, disaster relief, pandemic influenza, North Korea and Burma, Marciel said.

Clinton will meet with the foreign ministers of Vietnam, Laos, Cambodia and Thailand to discuss issues that affect the Mekong River region, possibly the first time a U.S. secretary of state has met with all of those countries' leaders at once, Marciel said. Clinton also will participate in multilateral meetings with ASEAN member countries that will focus on the U.S.-ASEAN relationship, Marciel added.

The United States is intent on improving its relationship with ASEAN member countries, Marciel said. "We want to see ASEAN succeed," he said. "It's in our interest for the countries of Southeast Asia to further integrate and to grow stronger."

Secretary Clinton is expected to sign the Treaty of Amity and Cooperation in Southeast Asia on July 22, joining 24 other countries that already have signed the treaty.

The schedule of the ASEAN meetings (http://www.14thaseansummit.org/pdf-AMM/2009-07-14_MEDIA_OPPORTUNITIES_PROGRAMME_at_17.pdf) is available on the organization's Web site.